



## AROUND THE DOME

February 2010

**"Eternal vigilance is the price of liberty." -- Wendell Phillips (1811-1884)**

If there is one thing that we can count on in Lansing, it's that as the economy gets worse, and the state cuts back on the revenue sharing with local municipalities, there will be heightened efforts raise more revenue. This week, BOMA Executive Director Janet Langlois along with Dan Gustafson and Steve Scofes, from Scofes & Associates Consulting, Inc., met with Senator Nancy Cassis and Representative Vincent Gregory regarding HB 4456, WPW legislation to strike additions and losses when accessing the value of commercial property.

The meeting was called by Senator Cassis to see if BOMA was willing to work with Representative Gregory to find a compromise on the WPW issue that we all could live with. The legislation as it passed the House was problematic and BOMA believes it to be unconstitutional. Howard Ryan, the Senate Majority Tax Policy Advisor, also in attendance, agreed that HB4456 would not stand up in court. We recommended to the meeting participants that passing the bill was not critical at this time due to current market pressures and declining values as 90%+ appeals are based on value, not occupancy. Consequently, there is time to do a "fix" correctly and address the constitutional issues, not additions or losses due to vacancy. We suggested that legislative efforts should focus on building businesses in Michigan that would fill buildings and then everyone would be happy!

Senator Cassis and Representative Gregory still want to discuss some sort of compromise-- with a Specific Tax on commercial property-- now to include some indexing thresholds to mitigate potentially drastic gaps in either direction. Our response was that we will research the "specific" tax issue, and it was agreed that Howard Ryan will provide further detail. BOMA has some concerns about what is happening in California right now with much of the same issue on their Proposition 13.

The perception is still out there that fixing the WPW decision would fix city problems. We need to continue to educate the Legislature on the realities of the current market.

The "Around the Dome" newsletter is written monthly by BOMA's Michigan lobbying firm Scofes & Associates Consulting (S&A) for BOMA members to be aware of key issues in Lansing. In addition, S&A is monitoring top issues identified by the Government Affairs Committee. If you have comments on the newsletter or BOMA issues, please direct them to GAC Chairs Gregory McDuffee at [Gregory\\_McDuffee@DWJBA.com](mailto:Gregory_McDuffee@DWJBA.com), John Sier at [John.Sier@Kitch.com](mailto:John.Sier@Kitch.com) or Janet Langlois at [JLanglois@bomadet.org](mailto:JLanglois@bomadet.org).

We welcome your comments and questions on BOMA advocacy issues.